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8 BEFORE THE WASHINGTON STATE
OFFICE OF THE INSURANCE COMMISSIONER
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10 In The Matter Of The Application Regarding The
11 Conversion And Acquisition Of Control Of
Premera Blue Cross And Its Affiliates
12
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No. G02-45

INTERVENERS' RESPONSE TO
PREMERA'S MOTION FOR REVIEW
OF THE SPECIAL MASTER'S CASE
SCHEDULE RECOMMENDATION
(JULY 14, 2003)

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15 Interveners oppose Premera's Motion for Review of the Special Master's
16 Case Schedule Recommendation (July 14, 2003) in which Premera seeks to establish
17 specific dates for the administrative proceeding and pre-hearing activities, and in
18 which Premera proposes to shorten by half the timelines recommended by Special
19 Master George Finkle. The Special Master consulted with the parties regarding their
20 proposed timelines for the proceeding and consulted with the Insurance Commissioner
21 and his staff before making his recommendation. His recommended timeline should
22 be upheld.¹
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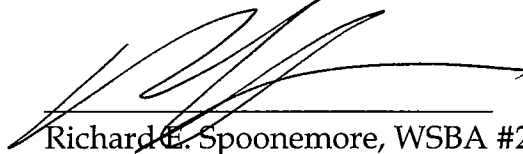
25 ¹ Interveners have sought a clarification of one aspect of the Special Master's Recommendation
26 regarding the filing of final expert reports and pre-filed testimony. However, the Interveners' proposed
clarification does not seek any change to the timelines proposed by the Special Master.

1 Premera proposes that the OIC experts complete their review and draft
2 their initial reports by August 4, 2003 without the disputed documents that are
3 currently withheld by Premera. Interveners oppose Premera's effort to push the OIC
4 Experts into formal conclusions without access to the critically important information
5 that the Experts maintain that they need to complete an appropriate evaluation of the
6 proposed conversion. The OIC Experts should not be required to complete their
7 reports until the privilege dispute is resolved. After the resolution of the dispute, the
8 OIC experts should have adequate time to review and assess the documents, and
9 incorporate them into their analyses. Six weeks is an appropriate time for such a task,
10 and is designed to ensure that the experts' reports are thorough and as complete as
11 possible.

12 Premera also proposes to cut the parties' discovery and preparation time
13 in half. Such a rapid timeline would impact the Interveners' ability to fully and fairly
14 participate, as described in the Fourth Order of the Insurance Commissioner. For
15 example, under Premera's proposal, the parties would only have two weeks from
16 August 25 to September 8 to review the final OIC expert reports, prepare for and
17 conduct depositions of all of the OIC experts. That particular critical timeline is further
18 shortened by a holiday weekend in the middle of the two-week period. The parties
19 would only have an additional week to depose all other experts, with a final discovery
20 cut off coming only a week later. Even if the Interveners had the vast legal resources
21 available to Premera (which they do not), they would be unable to comply with such a
22 shortened schedule and still adequately represent their significant interests in the
23 proceeding. The proposed Premera timeline simply cannot be implemented in a
24 manner that ensures a fair process and full participation by all parties. The Special
25 Master's Case Schedule Recommendation should be upheld.

1 Dated this 28TH day of July, 2003.

2 Respectfully submitted by:

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5 Richard E. Spoonemore, WSBA #21833

6 Attorney for Intervenors Washington Citizen Action,
7 American Lung Association of Washington,
8 Northwest Federation of Community Organizations,
9 Northwest Health Law Advocates, Service
10 Employees International Union Washington State
11 Council, The Children's Alliance, Washington
12 Academy of Family Physicians, Washington
13 Association of Churches and Washington State NOW
14 Washington Association of Community and Migrant
15 Health Centers

16 On behalf of all Intervenor Groups, with authority.
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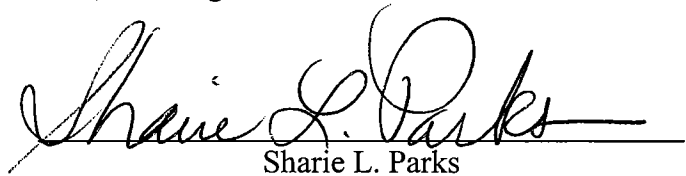
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CERTIFICATE OF SERVICE

I certify, under penalty of perjury and in accordance with the laws of the State of Washington, that on July 28, 2003, I served a copy of the following documents on counsel of record as indicated on the attached service list:

- 1) INTERVENERS' RESPONSE TO PREMERA'S MOTION FOR REVIEW OF THE SPECIAL MASTER'S CASE SCHEDULE RECOMMENDATION (JULY 14, 2003); and
- 2) this CERTIFICATE OF SERVICE.

DATED: July 28, 2003, at Seattle, Washington.


Sharie L. Parks

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